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FROM: BONN

TO: Secretary of State

NO: 2846, JUNE 18, 5 PM

SENT DEPARTMENT 2846; REPEATED INFORMATION BERLIN 992,  
LONDON 755, PARIS 981, MOSCOW 344, GENEVA UNNUMBERED.

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EMBASSY OFFICERS HAVE INFORMALLY QUEIRED OFFICERS IN TWO  
DIFFERENT SECTIONS FONOFF AS TO WHAT THOUGHT FEDREP MAY HAVE  
GIVEN TO ITS POSSIBLE USE COUNTERMEASURES. IN THESE DISCUSSIONS  
FONOFF OFFICIALS EXPLAINED THAT AT BEGINNING CURRENT BERLIN  
CRISIS FONOFF WORKING GROUP MADE STUDY OF QUESTION OF POSSIBLE  
EFFECT OF GERMAN EMBARGO ON TRADE WITH USSR AND SOVZONE.  
CONCLUSION GROUP WAS THAT FEDREP TRADE "ABSOLUTELY INSIGNIFICANT"  
TO USSR ECONOMY AND HENCE EMBARGO, EVEN THOUGH COMPLETE,  
WOULD HAVE NO RPT NO EFFECT.

WITH REGARD SOVZONE VULNERABILITY TO TRADE EMBARGO FONOFF  
SOURCES STATED THEIR STUDIES CONCLUDED MOST IMPORTANT SOVZONE  
IMPORTS FROM FEDREP ARE IRON AND STEEL PRODUCTS. THESE  
INCLUDE VARIOUS SPECIAL TYPES STEEL WHICH SOVZONE PARTICULARLY  
NEEDS, AND STUDY INCLUDED TENTATIVE LISTING THESE IN ORDER  
IMPORTANCE. CONCLUSION WAS THAT EMBARGOS OF THESE CONSTITUTED  
THEORETICALLY EFFECTIVE LEVERS ON SOVZONE, BUT MATTER LATER  
DROPPED FOR TWO REASONS:

(1) APPLICATION SUCH EMBARGOS (IN CIRCUMSTANCES LIMITED HARASS-  
MENT, E.G., OF ALLIED ACCESS) WOULD PROBABLY PROVOKE EAST  
GERMAN HARRASSMENT GERMAN TRAFFIC TO WEST BERLIN;

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(2) THIRD COUNTRIES (WESTERN EUROPEAN AS WELL AS ASIAN AND AFRICAN NEUTRALS) WOULD PROBABLY STEP IN AS MIDDLEMEN OR ALTERNATE SOURCES SUPPLY, THUS CANCELLING EFFECT FEDREP EMBARGO.

IN REPLY TO DIRECT QUESTION FONOFF OFFICIAL FORSTER, SAID GERMANS HAD ONLY CONSIDERED QUESTION TRADE EMBARGO, HAD NOT REPEAT NOT EXAMINED OTHER POSSIBLE MEASURES SUCH AS DENIAL PORT FACILITIES, CANALS AND RAILWAYS, ETC. HOWEVER, SUGGESTED IF WESTERN POWERS GIVING CONSIDERATION SUCH QUESTIONS, THIS WOULD PROVIDE NEW CONTEXT FOR POSSIBLE FEDREP ACTION.

IN VIEW INSTRUCTIONS REFTTEL, WE DID NOT COMMENT FURTHER ON THIS POINT. INCIDENTALLY, FONOFF ADVISED BY GERMAN EMB WASHINGTON THAT MURPHY GROUP PUTTING FINISHING TOUCHES ON BERLIN CONTINGENCY PLANS.

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